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World Production and Trade

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United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 39-85

Sept. 25, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

ALGERIA's 1985/86 total grain crop is estimated at a near-record 3.05 million tons, 63 percent above last year's drought-reduced harvest, according to the U.S. agricultural trade officer in Algeria. Wheat production is estimated at 1.65 million tons, 38 percent above last year and is comprised of 1.07 million tons of durum and 0.58 million of soft wheat. The barley crop is estimated at a record 1.30 million tons, 120 percent above the 1984/85 harvest. Near-ideal growing conditions in the major producing areas of the central and eastern regions resulted in bumper yields. Much of the grain crop was harvested in the May-July period.

OILSEEDS AND PRODUCTS

Total oilseed production in VENEZUELA for 1985 is expected to rise to 158,000 tons, up from 128,000 tons in 1984. Venezuela is a large importer of U.S. soybean meal, soybean oil, sunflowerseed oil and cottonseed oil. Soybean meal imports in 1985 are forecast to drop to 610,000 tons from 660,000 tons last year. Total soybean, cottonseed and sunflowerseed oil imports are forecast to drop to 218,000 tons from 260,000 tons.

SPAIN's Council of Ministers has authorized the Spanish National Farm Commodity Service (FORPPA) to subsidize up to 100,000 tons of olive oil exports in bulk with a rebate of 12,000 pesetas (approximately \$69) per ton. World olive oil prices have ranged between \$600 and \$800 per ton (bulk shipment) over the past year. In 1984/85, Spain commanded over 60 percent of world olive oil trade. Spanish olive oil exports in 1985/86 are forecast at 235,000 tons, with the main market being the United States.

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DAIRY, LIVESTOCK AND POULTRY

Beef production and herd numbers in BRAZIL are expanding despite a 20-percent drop in cattle prices, according to the U.S. agricultural counselor in Brasilia. Beef production in 1985 is estimated at 2.4 million tons, 100,000 tons above the 1984 level. An additional 100,000-ton expansion is forecast for 1986. Production and inventories are expanding because of better management, cattle herd improvements and planting of more productive forages. The improvements in cattle production have enabled producers to increase carcass weights and in some cases reduce the slaughter age from 60 months to 36-40 months.

Milk production in SOUTH AFRICA in 1985 is forecast at 2.4 million tons, slightly below the 1984 level, according to the U.S. agricultural counselor in Pretoria. The Dairy Board is attempting to limit expansion in milk production to avoid surpluses through various measures. Milk production in 1986 is expected to approximate this year's level. With stable milk output, the pattern and level of dairy product output is unlikely to change significantly.

COTTON

Reports from PORTUGAL indicate that the U.S. share of Portuguese cotton imports increased from 10.3 percent in 1983/84 to 11.1 percent in 1984/85. The increase was attributed to strong foreign demand for Portuguese cotton-based textiles and low raw cotton stocks necessitating larger raw cotton imports in 1984/85. Foreign demand for Portuguese textiles in 1985/86 is expected to continue strong; therefore, cotton imports should increase.

According to authorities and trade officials in the GERMAN DEMOCRATIC REPUBLIC (GDR), if U.S. cotton prices are competitive, there is a definite possibility that 5,000 tons of medium-staple and 3,000 tons of long-staple U.S. cotton might be imported in 1986 and annually thereafter. They indicate that the possible sale would be enhanced if some way of tying these imports to some comparable value of exports of GDR products to the United States could be found. During 1984 and 1985, the only U.S. cotton imported by the GDR was transshipments from Hungary, the Soviet Union and Czechoslovakia.

FRUITS

NORTHERN HEMISPHERE production of apples during the 1985/86 season is currently estimated at 16,978,000 tons, a moderate 3-percent decline from the bumper 1984/85 harvest. Most of the shortfall can be attributed to severe winter temperatures and cool, rainy, spring weather throughout Central Europe that damaged nearly every apple crop in the European Community (EC). This was, however, partially offset by exceptionally good harvests in Canada, Hungary, Spain, Turkey and Yugoslavia.

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Fresh Apple Production in the Northern Hemisphere
(1,000 tons)

Country	: 1983/84	: 1984/85	: 1985/86 1/
North America:	:		
Canada.....	484.9	440.6	490.0
Mexico.....	302.4	437.0	402.5
United States.....	3,797.9	3,758.2	3,661.4
Total.....	4,585.2	4,635.8	4,553.9
	:		
European Community:	:		
Belgium/Luxembourg.....	203.4	230.9	212.9
Denmark.....	47.2	54.4	55.0
France.....	1,574.9	1,981.7	1,772.0
Germany, Fed. Rep. of....	1,313.1	1,799.3	1,300.0
Greece.....	312.0	321.0	319.0
Italy.....	2,055.6	2,217.0	2,070.0
Netherlands.....	364.0	388.0	310.0
United Kingdom.....	292.5	315.6	292.9
Total.....	6,162.7	7,307.9	6,331.8
Other Europe:	:		
Austria.....	263.0	276.3	252.2
Hungary.....	1,140.6	1,088.2	1,130.0
Norway.....	50.6	47.4	52.7
Spain.....	1,012.0	959.0	1,000.0
Sweden.....	42.0	36.8	44.0
Switzerland.....	115.1	158.5	130.5
Turkey.....	1,750.0	1,600.0	1,900.0
Yugoslavia.....	557.0	584.0	600.0
Total.....	4,930.3	4,750.2	5,109.4
Asia:	:		
Japan.....	1,048.0	811.7	969.4
Taiwan.....	12.0	13.5	13.5
Total.....	1,060.0	825.2	982.9
Total Northern Hemisphere :	16,738.2	17,519.1	16,978.0

1/ Preliminary. Note: Totals after 1982 not comparable with previous years due to inclusion of data for Hungary, Taiwan and Turkey.

Pear production in the Northern Hemisphere is expected to drop for the second consecutive year to 4,326,300 tons, 15 percent below the 1984/85 volume. As with apples, EC crops sustained the most damage. The most severe losses occurring in West Germany, Italy and the Netherlands. Based on preliminary estimates, the 1985/86 harvested volume in the EC will fall well below the previous five-year average.

Fresh Pear Production in the Northern Hemisphere
(1,000 tons)

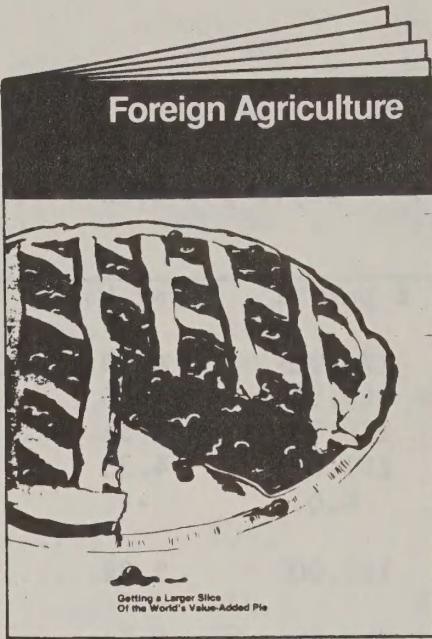
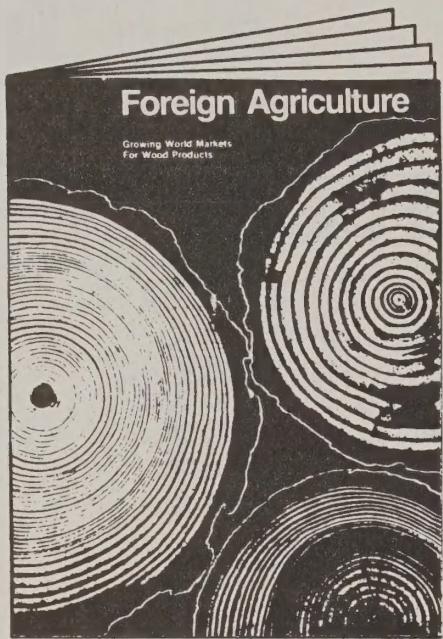
Country	: 1983/84	: 1984/85	: 1985/86 1/
North America:	:		
Canada.....	28.7	26.0	26.1
Mexico.....	48.8	51.6	51.8
United States.....	702.8	643.7	612.0
Total.....	780.3	721.3	689.9
European Community:	:		
Belgium/Luxembourg.....	101.7	72.3	64.4
Denmark.....	4.0	4.0	4.0
France.....	414.2	449.7	415.0
Germany, Fed. Rep. of...	380.3	448.9	309.0
Greece.....	146.0	117.0	120.0
Italy.....	1,218.6	1,065.5	920.0
Netherlands.....	121.0	115.0	100.0
United Kingdom.....	54.0	48.1	50.0
Total.....	2,469.8	2,320.5	1,982.4
Other Europe:	:		
Austria.....	49.4	53.6	46.3
Norway.....	7.6	11.7	8.4
Spain.....	551.0	489.0	540.0
Sweden.....	4.7	6.0	5.0
Switzerland.....	21.7	23.1	19.8
Turkey.....	384.0	340.0	350.0
Yugoslavia.....	165.4	145.0	158.0
Total.....	1,183.8	1,068.4	1,127.5
Asia:	:		
Japan.....	502.6	479.5	526.5
Total Northern Hemisphere.:	4,906.5	4,589.7	4,326.3

1/ Preliminary. Note: Totals after 1982 not comparable with previous years due to inclusion of Turkey.

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Selected International Prices

Item		Sept. 24, 1985		Change from	A year
				: previous week	: ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:					
Canadian No. 1 CWRS-13.5%.	176.00	4.79	--	186.00	
U.S. No. 2 DNS/NS: 14%....	160.00	4.35	+5.00	169.00	
U.S. No. 2 S.R.W.	130.00	3.54	-1.00	157.50	
U.S. No. 3 H.A.D.....	159.00	4.33	-1.00	183.50	
Canadian No. 1 A: Durum...	N.Q.	--	--	203.50	
Feed grains:					
U.S. No. 3 Yellow Corn....	111.00	2.82	+1.50	139.00	
Soybeans and meal:					
U.S. No. 2 Yellow.....	210.50	5.73	+4.00	237.00	
Brazil 47/48% SoyaPellets	178.00	--	+8.50	177.00	
U.S. 44% Soybean Meal....	168.00	--	+7.00	168.00	
U.S. FARM PRICES 3/					
Wheat.....	108.02	2.94	-.37	124.18	
Barley.....	60.17	1.31	0	82.21	
Corn.....	90.16	2.29	-1.18	113.39	
Sorghum.....	74.74	3.39 2/	+3.09	96.78	
Broilers 9/.....	1040.57	--	-112.66	1121.70	
EC IMPORT LEVIES					
Wheat 5/.....	96.53	2.63	+16.38	45.60	
Barley.....	94.97	2.07	+12.92	47.40	
Corn.....	86.42	2.20	+13.27	35.65	
Sorghum.....	86.42	2.20	+13.27	35.65	
Broilers 4/ 6/ 8/.....	N.Q.	--	N.Q.	N.Q.	
EC INTERVENTION PRICES 7/					
Common wheat(feed quality)	151.70	4.13	+10.25	140.00	
Bread wheat (min. quality)	162.03	4.41	+10.98	149.60	
Barley and all					
other feed grains.....	151.70	--	+10.25	140.00	
Broilers 4/ 6/.....	N.Q.	--	N.Q.	N.Q.	
EC EXPORT RESTITUTIONS (subsidies)					
Wheat	N.A.	--	--	1.80	
Barley.....	52.00	1.13	--	15.95	
Broilers 4/ 6/ 8/.....	N.Q.	--	N.Q.	N.Q.	

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects change in level set by EC. 9/ Twelve-city average, wholesale weighted average. N.A.=None authorized. N.Q.=Not quoted. Note: Basis October delivery.



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